Excise revenue from MODVAT

1397. SHRI M. S. GURUPADASWAMY: Will the Minister of FINANCE be pleased to state:

(a) what is the additional excise revenue realised so far since the introduction of MODVAT;

(b) what are the expectations for the entire year 1986-87; and

(c) how does it compare with the Budget estimates?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) MODVAT was aimed at eliminating the cascading effect of taxes on components and raw materials. However, in order to retain the collections of excise duties at the earlier level, the rates of duties on the final products have been suitably adjusted. Tht MODVAT scheme is thus broadly revenue neutral, and no additional revenue directly on account of introduction of MODVAT was envisaged. However, it is expected that MODVAT will help reduce the scope for evasion of duty.

Voluntary Disclosure Scheme

1398. SHRI M. S. GURUPADASWAMY: Will the Minister of FINANCE be pleased to state:

(a) what is the total amount of concealed income/wealth so far disclosed under the Voluntary Disclosure Scheme; and

(b) what is the total amount of income-tax and wealth tax realised on the above amount?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) The Amnesty Scheme is still in operation and its date has been extended upto 31-3-1987. No such statistics are being maintained by the Government.

Export of castor oil

1399. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the country's castor oil exports have been on the decline and that the Soviet Union which has been one of the major castor oil importers has now turned to Brazil to meet its demand;

(b) if so, what is the percentage of decline in the export of castor oil during the last three years, year-wise alongwith the loss suffered in foreign exchange as a consequence thereof;

(c) what are the reasons for India's losing ground in the USSR; and

(d) what steps have been taken by Government to regain the lost market?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) to (c) Exports of castor oil from India for the last three years have been provisionally estimated as follows:

(Qty. in Tonnes)
(Value in Rs. Crores)

Year	Quantity	Value
1983-84 . .	79,000	105
1984-85 . .	1,00,000	125
1985-86 . .	53.60	47.4

The Crop in Brazil during the last two agricultural seasons has been good and the International Prices for castor oil have declined which has adversely affected our exports. The International prices presently prevailing vis-a-vis domestic prices do not permit remunerative returns for exporters.

As against the trade plan provision for export of castor oil to USSR which has been at a constant level of 35,000 tonnes

per year for the last three years, exports of castor oil have been as follows:

(Qty. In Tonnes)
(Value in Rs. Crores)

Year	Quantity	Value
1983-84 . .	17,080	24.60
1984-85 . .	34,225	44.82
1985-86 . .	31,600	26.54

The volume of export has not shown any significant decline but there has been substantial shortfall in export earnings on account of fall in price as a result of surplus production in Brazil which is the other major producing country.

(d) The Government has announced CCS at the rate of 5 per cent on exports of castor oil medicinal BP which constitutes the bulk of castor oil exports. There is also CCS on some castor oil derivatives ranging from 8 to 10 per cent. It is anticipated that grant of CCS on export will enable us to step up export of castor oil.

Pact between India and Hungary to avoid double taxation

1400. SHRI MUKHTIAR SINGH MALIK: Will the Minister of FINANCE be pleased to state:

(a) whether India and Hungary has recently signed a pact to avoid double taxation;

(b) if so, what are the broad outlines of this pact; and

(c) how far it will be beneficial to India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Yes, Sir. The Convention between India and Hungary for avoidance of double taxation with respect to taxes on income has been signed on 30.10.86. However, it will came into effect only when the two countries notify each other about the completion of procedures required by their respective laws for bringing this Convention into force.

(b) Under this Convention, business profits derived by an Indian enterprise or a Hungarian enterprise will be charged to tax only in the country of its residence unless the enterprise carries on business in the other country through a "permanent establishment" situated therein.

Apart from laying down rates of tax on royalty, fees for technical services, dividends and interest, the Convention determines the respective taxing rights of the two countries on income from profession, pension, salaries etc. It also provides for exchange of information not only for carrying out the provisions of the Convention, but also for the prevention of tax frauds and detection and prevention of tax avoidance and evasion.

(c) The Convention will help in the modernisation and growth of Indian Industry by encouraging flow of capital and technology in essential areas. It is also expected to increase our export capability and export markets.

Export of beef

1401. SHRI S. S. AHLUWALIA: Will the Minister of COMMERCE be pleased to state:

(a) what is the quantum and value of beef exported from India during the last three years, year-wise; and

(b) what is the prevailing rate of beef per kg. in India and in the international market?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) Following are the details of Beef (Buffalo) exported